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OF COUNSEL  
WILLIAM G. CONLY

September 22, 2006

Honorable James H. Welsh  
Commissioner of Conservation  
State of Louisiana  
Post Office Box 44275  
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Pettet Formation, Reservoir A; Hosston Formation,  
Reservoir A; and Cotton Valley Formation, Reservoir  
A; CASPIANA FIELD, DeSoto Parish, Louisiana.

Dear Sir:

EMPRESA ENERGY, L.P. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Pettet Formation, Reservoir A; the Hosston Formation, Reservoir A; and to the Cotton Valley Formation, Reservoir A; in the Caspiana Field, DeSoto Parish, Louisiana:

1. To create six (6) additional drilling and production units for the exploration for and production of gas and condensate from the Pettet Formation, Reservoir A, such units being shown on an attached plat and being designated PET RA SU74 through PET RA SU79.
2. To create six (6) additional drilling and production units for the exploration for and production of gas and condensate from the Hosston Formation, Reservoir A, such units being shown on an attached plat and being designated HOSS RA SU122 through HOSS RA SU127.
3. To create six (6) additional drilling and production units for the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir A, such units being shown on an attached plat and being designated CV RA SU115 through CV RA SU120.
4. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed additional units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production on a surface acreage basis of participation.
5. To designate a unit operator of, and unit wells for, the proposed additional units as may be appropriate.
6. To redefine the Pettet Formation, Reservoir A, in the Caspiana Field, INsofar AND ONLY INsofar as to the six (6) additional units proposed herein for the Pettet Formation, Reservoir A, as being that gas and condensate bearing zone encountered between the measured

depths of 5,886 feet and 6,380 feet in the Rising Star Energy, L.L.C.--Clingman 1 No. 1 Well, located in Section 1, Township 15 North, Range 15 West, Caddo Parish, Louisiana.

7. To redefine the Hosston Formation, Reservoir A, in the Caspiana Field, INSOFAR AND ONLY INSOFAR as to the six (6) additional units proposed herein for the Hosston Formation, Reservoir A, as being that gas and condensate bearing zone encountered between the measured depths of 6,380 feet and 8,770 feet in the Rising Star Energy, L.L.C.--Clingman 1 No. 1 Well, located in Section 1, Township 15 North, Range 15 West, Caddo Parish, Louisiana.

8. To redefine the Cotton Valley Formation, Reservoir A, in the Caspiana Field, INSOFAR AND ONLY INSOFAR as to the six (6) additional units proposed herein for the Cotton Valley Formation, Reservoir A, as being that gas and condensate bearing zone encountered between the measured depths of 8,770 feet and 10,330 feet in the Rising Star Energy, L.L.C.--Clingman 1 No. 1 Well, located in Section 1, Township 15 North, Range 15 West, Caddo Parish, Louisiana.

9. To extend, except as in conflict herewith, the provisions of the Office of Conservation Order No. 191-C series of Orders, and all applicable Statewide Orders, to the proposed additional units for the Pettet Formation, Reservoir A.

10. To extend, except as in conflict herewith, the provisions of the Office of Conservation Order No. 191-B series of Orders, and all applicable Statewide Orders, to the proposed additional units for the Hosston Formation, Reservoir A.

11. To extend, except as in conflict herewith, the provisions of the Office of Conservation Order No. 191-A series of Orders, and all applicable Statewide Orders, to the proposed additional units for the Cotton Valley Formation, Reservoir A.

12. To discuss such other matters as may be pertinent.

The Pettet Formation, Reservoir A, in the Caspiana Field, Caddo and DeSoto Parishes, Louisiana, is currently defined in Office of Conservation Order No. 191-C, effective April 13, 1976.

The Hosston Formation, Reservoir A, in the Caspiana Field, Caddo and DeSoto Parishes, Louisiana, is currently defined in Office of Conservation Order No. 191-B, effective April 15, 1975.

The Cotton Valley Formation, Reservoir A, in the Caspiana Field, Caddo and DeSoto Parishes, Louisiana, is currently defined in Office of Conservation Order No. 191-A, effective February 15, 1975.

Pertinent data concerning this application is available for inspection at the offices of Louis Gilbert & Associates, Inc., 3636 N. Causeway Blvd., Suite 204, Metairie, Louisiana 70002-7216. Any person wishing to inspect such data should call Mr. Louis Gilbert at (504) 834-8112 during normal business hours in order to arrange a date and time for such inspection. A copy

Honorable James H. Welsh  
September 22, 2006  
Page 3

of any such pertinent data which is not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

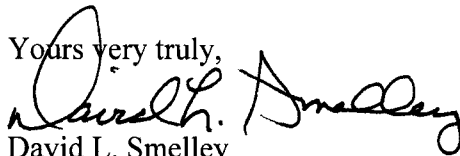
Any person receiving a copy of this letter who has questions concerning where their property is in relation to the proposed units should call Mr. Jim Dodson at (318) 425-0424.

By letter dated September 6, 2006, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these proposals and set September 28, 2006, as the tentative date for the pre-application conference. While conference requests were received from three (3) persons, those requests were subsequently withdrawn after the proposals were explained and their questions were answered; accordingly, no pre-application conference will be held.

Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of each of the unit plats (which are identical to the unit plats attached to the pre-application notice) is enclosed herewith, and a copy of this letter and of the attached plats is being sent to the District Manager of the Shreveport District of the Office of Conservation and to each of the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and of the enclosed plats, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Caspiana Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

Yours very truly,  
  
David L. Smelley  
-- Attorney for Empresa Energy, L.P.

DLS:dp

Enclosures

cc: Mr. Jim Broussard (w/encls.)  
Mr. Jeff Elkin (w/encls.)  
Mr. Louis Gilbert (w/encls.)  
Mr. Jim Dodson (w/encl.)  
Interested Owners, Represented Parties  
and Interested Parties (w/plats only)

